

The innovation potential of Islamic crowdfunding platforms in contributing to sustainable development

Stefania Testa and Thaeer Atawna
University of Genoa, Genoa, Italy

Gino Baldi

DG REII, Emilia Romagna Region, Bologna, Italy, and

Silvano Cincotti

University of Genoa, Genoa, Italy

Abstract

Purpose – This paper aims at explaining variances in the contribution of Islamic crowdfunding platforms (ICFPs) to sustainable development (SD), by adopting an institutional logic perspective (ILP). ICFPs represent a dual institutional overlap between two logics (the Western-mainstream and the Islamic logic) which have an impact on corporate social responsibility (CSR) interpretations, practices, and decisions and whose conflicts are mitigated by choosing different resolution strategies. The authors aim at showing that this choice affects SD differently.

Design/methodology/approach – The authors develop a conceptual typology through the following steps: (1) choice of variables and identification of corresponding variable domains, through literature review. Variables chosen are the elemental CSR dimensions related to various social and environmental corporate responsibilities to whom diverse meaning and emphasis are given under the Western-mainstream and Islamic logics. (2) Identification of three distinct ideal types of ICFPs, building on different resolution strategies to mitigate conflicts between logics; (3) development, for each ideal type, of a set of implications related to SD; (4) implementation of a first test aiming at assigning real cases to each ideal type.

Findings – The authors identify Western-mimicking (platforms adopting as resolution strategy decoupling or compartmentalizing strategies), Islamic-driven (platforms focusing on one prevailing logic) and Syncretism-inspired (platforms adopting hybridizing practices) ideal-types.

Originality/value – It is the first paper suggesting ILP to explain variances in crowdfunding platforms' role in addressing SD. It focuses on a specific type of CF platforms till now neglected.

Keywords Sustainable development, Corporate social responsibility, Islamic crowdfunding platforms, Conceptual typology

Paper type Conceptual paper

1. Introduction

Crowdfunding (CF) is among the financial innovations enabled by the technological advancements of recent years that could help in filling the financial gap for entrepreneurs, small and medium enterprises (SMEs), as well as large companies (Stefani *et al.*, 2019). Beyond



that, CF is enthusiastically discussed in the media as an innovative mean to finance initiatives which are oriented to Sustainable Development (SD) [1] (e.g. Thorpe, 2014), whose central obstacle is indeed the lack of funding (Ortas *et al.*, 2013). The innovation potential of CF in contributing to SD is also recognised among academics (e.g. Bonzanini *et al.*, 2016; Calic and Mosakowski, 2016; Troise *et al.*, 2021a) though with less enthusiasm, also due to contrasting results (see, e.g. Hörisch, 2015). Academic papers emphasize that such a contribution depends on several factors, not lastly related to the CF platforms themselves, which can no longer be considered as neutral actors (see, for example, Bonzanini *et al.*, 2016).

Recent years, have witnessed the emergence of a new type of CF platforms, i.e. Islamic CF platforms (ICFPs), which, abide by the Islamic law (*Sharia*) [2], are claimed to intrinsically embed the concepts of social responsibilities and SD. ICFPs are claimed to hold huge potential to unlock fundraising and financing opportunities, especially for entrepreneurs, underbanked and underserved, not only within the Islamic economy but also in the wider global context [3] (Munshi, 2021).

However, like in the case of conventional CF, where researchers (Testa *et al.*, 2019) acknowledge the need to further explore how and under which conditions CF platforms can contribute to SD, the same can be claimed regarding ICFPs.

We suggest an institutional theory lens (as recently suggested for the broader field of sharing economy by Mair and Reischauer, 2017) to highlight the link between institutional pressures, Corporate Social Responsibility (CSR), and SD (see Campbell (2007) for the link institutional pressure – CSR and Halme *et al.*, 2020 for the link CSR-SD).

Figure 1 depicts the chain from institutional pressures through CSR to SD impacts. This means that organizations recognize CSR demands linked to different institutional logics, choose a strategy to reconcile those demands, coherently integrate responsibility considerations into their business operations, and thus exert an impact on SD. It is worth noting that, in our view, CSR does not mean adopting CSR formal structures but combining responsibility considerations with core business operations because this is likely to be the most effective solution to achieving SD (Halme *et al.*, 2020).

In general terms, research shows that firms address SD through their CSR decisions (see Halme *et al.*, 2020). However, there is no one shared interpretation of CSR (Dahlsrud, 2008) as there is a strong link between CSR and the institutional logics on which firms draw (Arena *et al.*, 2018). Institutional logics (first introduced by Friedland and Alford, 1991) are overarching sets of principles and norms that define acceptable goals and behaviours for individuals and organizations (Thornton *et al.*, 2012). Logics influence organizations' priorities (Pache and Santos, 2013), strategies (Battilana and Dorado, 2010), and practices (Battilana *et al.*, 2015), as well as CSR interpretations and decisions (Arena *et al.*, 2018; Halme *et al.*, 2020).

ICFPs represent a dual institutional overlap between two different logics. On the one side, ICFPs are platforms that have an Islamic identity and work according to the religious principles of Islamic Finance (IF), therefore, representing a type of organization strongly exposed to a religious logic. Religious logic represents a major source of values guiding decisions with ethical implications (Gümüşay *et al.*, 2020), such as those involved in CSR. The teachings of many religions, with their principles and norms rooted in Sacred Scriptures, focus on issues which constitute core dimensions of CSR, such as the relationship with the natural environment, treatment of others, fairness, justice, human rights, relief of poverty and so forth (Tilt, 2016), and thus exert an influence on the business operations companies decide to undertake (e.g. Fathallah *et al.*, 2019) or the range of issues that believers hold companies responsible for (e.g. Brammer *et al.*, 2007).

On the other side, ICFPs, though with their specificities, are a form of CF which is shaped by its Western institutional roots (Bruton *et al.*, 2015) which exert a pressure to align with international CSR regulations, in line with normative isomorphism which holds that firms

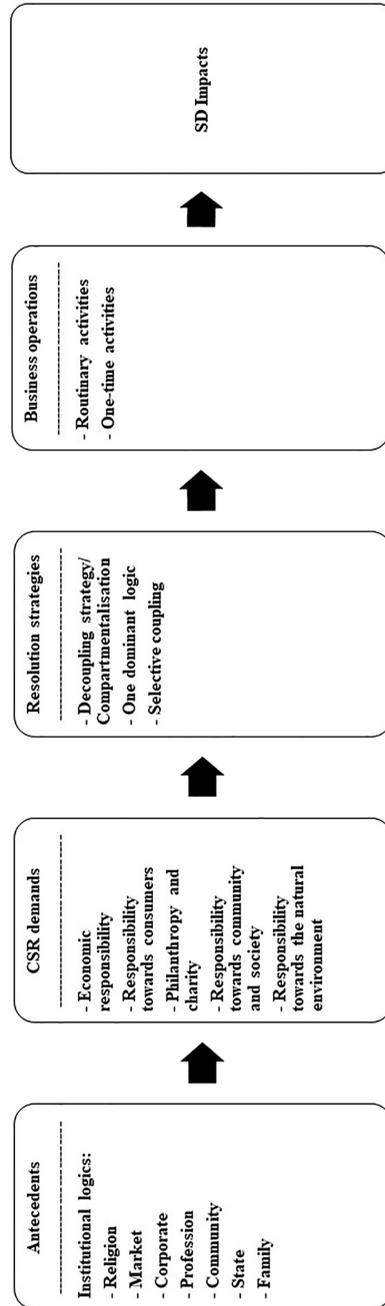


Figure 1.
The chain from
institutional pressures
to SD impacts

behave similarly through professionalization processes (DiMaggio and Powell, 1983), increasingly enacted in the context of CF (Tenner and Hörisch, 2020). Professional logic – as reflected in the mission and guidelines provided by several international associations that have emerged in the field of CSR and sustainability-has become the dominant normative reference point in today’s business environment (Arena *et al.*, 2018) and exerts – with its own norms and principles-a huge influence on the interpretations of social and environmental responsibilities of businesses worldwide. However, as noted by Jammulamadaka (2020), the global codes of conduct (towards which the professional logic requires compliance) are recognized as dominated by Western CSR codes, and some authors acknowledge that the mainstream understandings and practices of CSR are “Western-centric” (Jamali and Karam, 2018; Jamali *et al.*, 2017) [4]. For these reasons, from now on, we will refer to this professional logic as Western-mainstream logic.

Being aware that religious issues are little malleable, open to compromise, or easily accommodated when confronting alternative prescriptions (Gümüşay *et al.*, 2020), we can expect tensions and conflicts between the religious and the Western-mainstream logics, with their link to CSR interpretations, practices, and decisions and thus to SD impacts.

To mitigate conflicts between logics, prior work has suggested different resolution strategies but has paid little attention to the outcomes of these strategies (as underlined by Besharov and Smith, 2014), including those related to SD and grand challenges (Ferraro *et al.*, 2015).

For the purpose of our research, i.e. understanding how and under which conditions ICFPs can contribute to SD, we developed a conceptual typology and distinguished three ideal types of ICFPs, based on the different resolution strategies they may adopt: Western-mimicking (i.e. platforms adopting decoupling or compartmentalizing strategies), Islamic-driven (i.e. platforms focusing on one prevailing logic) and Syncretism-inspired (i.e. platforms adopting hybridizing practices, e.g. a selective coupling strategy). For each type, we developed a set of implications and highlighted its different contribution to SD. Our typology is theoretically grounded on the literature about CSR interpretations according to Western-mainstream and Islamic logics.

This paper contributes to the literature which investigates the innovation potential of CF platforms in promoting SD (e.g. Testa *et al.*, 2019; Böckel *et al.*, 2021; Troise *et al.*, 2021a). Specifically, it suggests an institutional logic perspective – which has received scant attention, with a few exceptions (see, e.g. Vismara, 2019; Butticiè *et al.*, 2019)- to explain variances in crowdfunding platforms’ role in promoting SD and focuses on a specific type of CF platforms, i.e. ICFPs, till now neglected, at least in non-Islamic journals (see as the only exception Bukhari *et al.*, 2019).

This paper is organised as follows. First, we introduce the research background in two subsections. Then, we present the methodology adopted for the typology development. We subsequently expose the theoretical underpinning of the typology before presenting the typology itself. The final section discusses our contributions and the implications of this study for future research and practice.

2. Research background

2.1 An institutional logic perspective on CSR

A peculiar aspect of the institutional logic perspective is the institutional pluralism that means that organizations are concurrently embedded in a multiplicity of institutional logics (the so-called institutional complexity, Greenwood *et al.*, 2011). Scholars have focused on how organizations manage tensions between logics which impose different demands about appropriate goals and means (Oliver, 1991; Kraatz and Block, 2008; Pache and Santos, 2010; Mair *et al.*, 2015; Lee *et al.*, 2018), acknowledging that full alignment with all demands is impossible to achieve (Pache and Santos, 2013).

Organizations that experience and negotiate demands from different kinds of logics and stakeholders are referred to as hybrid organizations (Pache and Santos, 2010; Pache and Santos, 2013; Besharov and Smith, 2014). While some research suggests decoupling (Pache and Santos, 2013; Bromley and Powell, 2012; Scott, 2003; Tilcsik, 2010) and compartmentalizing (Besharov and Smith, 2014; Jones *et al.*, 2012) strategies to answer ‘in parallel’ to different pressures, other work suggests strategies involving logics combination such as selectively coupling intact elements prescribed by each logic through hybridizing practices (Greenwood *et al.*, 2011; Tracey *et al.*, 2011; Pache and Santos, 2013; Battilana and Dorado, 2010). Compromising (Oliver, 1991; Pache and Santos, 2013), which refers to the enactment of different institutional logics in an altered manner that conform to minimum standards, is not always an available strategy as certain practices and structural elements associated with each logic may be completely incongruent or difficult to alter (Pache and Santos, 2010). The choice among these strategies brings at the forefront the role of companies in evaluating and choosing whose demands to prioritize and how to answer them, and this means that the simultaneous combination of multiple logics opens spaces for organizations’ decisions from where diversity stems. Indeed, an institutional logic approach recognizes organizations as contexts that variously interpret and combine logics (Dacin *et al.*, 2002). Essentially, the institutional logics perspective provides a powerful analytical framework for analyzing the inter-relationships among macro institutions and strategic choices made by organizations embedded in specific social systems (Thornton *et al.*, 2012).

As regards CSR, since the first formulation of the concept in the 1950s, scholars have implicitly highlighted a strong link between CSR and institutional logics (Arena *et al.*, 2018) because CSR was claimed to be related to “those lines of action which are desirable in terms of the objectives and value of our society” (Bowen, 1953, p. 6). Therefore, how companies choose among different corporate social responsibilities and give diverse emphasis to various social and environmental concerns is influenced by the institutional logic on which they draw, which also informs the expectations of their stakeholders (Arena *et al.*, 2018). However, although institutional theory in general and institutional logics perspective in particular possess the capability to help explain CSR behaviors, they have not been used much in relation to this issue (see Fernando and Lawrence, 2014).

The few studies that can be found, coherently with the peculiar aspect of institutional logics, investigate the strategies to deal with a multiplicity of institutional logics in relation to CSR. For example, Arena *et al.* (2018) show how the same organization may change strategies to reconcile diverging demands stemming from different logics over time, while Arena *et al.* (2019) show how different organizations may adopt different strategies to meet the expectations of a broad range of institutional logics. Though different response strategies to institutional pluralism have been identified, as introduced above, in the field of CSR, three main types of response strategies have been recognized which will be used for the development of our ideal-types: focusing on one prevailing logic (Arena *et al.*, 2018), hybridizing practices to balance contrasting logics (Ibidem), and decoupling initiatives to answer “in parallel” to different pressures (Glynn and Raffaelli, 2013; Arena *et al.*, 2018). The institutional logics that have been considered in their concurrent multiplicity in the field of CSR are the market, the state, the community, and the professional logics (Glynn and Raffaelli, 2013; Arena *et al.*, 2018), while the religion logic got little attention with a few exceptions (e.g. Fathallah *et al.*, 2019). Such a gap is confirmed not only in the context of CSR studies but also in the broadest institutional logic field where the religious logic in general and of non-western religions in particular (Gümüşay *et al.*, 2020) is underexamined, despite the increasing role that religion is claimed to play in our days (Fathallah *et al.*, 2019).

2.2 The innovation potential of crowdfunding platforms (and ICFPs in particular) in tackling sustainable development

As anticipated in Introduction, understanding how CF platforms might contribute in tackling SD is a relevant goal in the field of CF (Testa *et al.*, 2019; Böckel *et al.*, 2021). Several academics depict a positive role of CF platforms in processes of sustainable development (e.g. Bonzanini *et al.*, 2016; Calic and Mosakowski, 2016) and consider CF platforms as pro-social settings in nature (Berns *et al.*, 2020), able to skillfully combine economic and social responsibilities (Andrè *et al.*, 2017). Other authors are more cautious (see, e.g. Hörisch, 2015). In both cases, most of them agree that contribution to SD is context-specific, and it depends on several factors which may be, for example, product-related (Testa *et al.*, 2020), campaign-related (Manning and Bejarano, 2017), founder-related (Calic and Mosakowski, 2016), project finance-related (Bonzanini *et al.*, 2016), crowdfunder-related (Vismara, 2019) as well as platform-related (Bonzanini *et al.*, 2016). As regards the last category, it is commonly accepted that CF platforms can no longer be considered as neutral actors and act as important matchmakers between capital-seekers and capital-givers (Schwienbacher and Larralde, 2010). They do not only act as “network orchestrators” (Ordanini *et al.*, 2011) by creating the necessary organisational systems and conditions for resource integration among other players to take place but they also enact a wide range of activities (Meyskens and Bird, 2015) which may exert an impact on SD.

Among the wide range of activities performed, CF platforms screen and select the crowdfunding campaigns to be launched (Ibidem). Selection ensures that the projects adhere to the platform guidelines as well as to its mission, orientation, and core values. Then, through their communication activities, CF platforms are responsible for promoting/recommending projects to capital-givers, therefore, influencing their funding choices (Ibidem). Finally, CF platforms also offer value-added services such as advice on how to organise an effective CF campaign, due diligence, managing a co-investment fund, searching for co-investors (Cumming *et al.*, 2019), and, recently, services after funding completion (Gleasure and Feller, 2016). They can also act as incubators (Chen, 2018) for innovative new projects and couple CF with crowdsourcing to help capital-seekers in developing their ideas (Valanciene and Jegeleviciute, 2013). These services, by increasing the probability of implementing projects successfully, have a positive effect on SD, if projects are SD-oriented.

Speaking more specifically about ICFPs, which are in focus in this paper, they also provide services like those offered by conventional crowdfunding, and that can have an impact on SD (e.g. selection and communication), but they also have the responsibility to execute campaigns in Shariah-compliant ways (Nivoix and Ouchrif, 2016; Marzban and Boseli, 2014). This means that ICFPs have to: (1) invest in religiously permissible *Halal* projects/products, (2) avoid interest (*Riba*), and (3) avoid excessive risk and speculation (*Gharar*) (Alonso, 2015) as well as all other prohibited activities (*Haram*), e.g. weapons, alcohol, pork products, gambling, pornography, biology and animal genetics, and in general activities that bring harm to society and the environment (Brammer *et al.*, 2007; Haniffa and Hudaib, 2007). As interest is forbidden, specific contracts are used in which the return can be generated from engaging in risk-taking activities backed by tangible assets or identifiable services in the real economy (Beekun and Badawi, 2005; Haniffa and Hudaib, 2007). Most common contracts are Murabaha (cost plus profit margin) and Mudharabah (profit sharing) contracts where rewards and burdens are shared between the involved parties.

3. Methodology

When developing a conceptual typology [5], the researcher proposes types based on a theoretical ideal or model, which is called ideal type. In Bailey's (1994) approach, an ideal type is taken to embody the “clearest and purest example of the type”, in the sense that it

“possesses all of the relevant features or dimensions of the type” (p. 19) and scores “maximum values on all dimensions” (or minimum values on those dimensions that are negatively correlated) (p. 22). Bailey says that an ideal type cannot, “in its conceptual purity”, be found in reality (p. 18), and, instead, an ideal type “is used to study the degree to which a concrete empirical case differs from the ideal” (p. 17). It is worth noting that a typology is developed without knowing how many (if any) empirical cases could be found for a given type.

A typology enables researchers to study correlation among the variables that make up the dimensions of a typology (Bailey, 1994, pp. 24–25, 29) as well as to examine if an interaction effect is present among them (p. 33). The objective to identify an interaction effect indicates that there is a third, an outcome or dependent variable regarding which the interaction effect is studied (in our case, the dependent variable is the SD contribution of the ICFPs). The dependent variable of the typological research design is external to the typology (see, e.g. Doty and Glick, 1994).

As a first step, we identified the elements (or variables) and corresponding characteristics (or variable domains) for the framework. These elements depend on the purpose of the typology. The purpose of our typology is to distinguish between different ICFPs’ contribution to SD, building on various forms of resolution strategies to mitigate conflicts between CSR demands under Western-mainstream and Islamic logics. The variables and variable domains used to characterise CSR demands both in terms of Western-mainstream and Islamic logics have been identified in the academic literature. They represent a theory-based choice of variables (Doty and Glick, 1994) that are hypothesised to ultimately cause the differences in ICFPs’ contribution to SD. As a second step, we identified three distinct ideal-types of ICFPs: Western-mimicking (i.e. platforms adopting decoupling/compartmentalizing strategies), Islamic-driven (i.e. platforms focusing on one prevailing logic) and Syncretism-inspired (i.e. platforms adopting hybridizing practices, e.g. a selective coupling strategy). As a third step, for each ideal type, we developed a set of implications and highlighted its different contribution to SD.

We also performed a first test aiming at assigning cases to each ideal type. We checked whether forms of ICFPs that can be found empirically correspond with the outlined ideal types. The cases were chosen from a preliminary collection of ICFP cases we made at the beginning of our research before the achievement of the conceptual typology. The three ideal types delineated could quite easily be filled with some of the cases collected. However, validation relies on more extensive empirical investigations. This first test can be seen as a step for further development of our conceptual typology, and not as any sort of empirical validation.

4. Theoretical underpinnings for typology development

The present section is functional to the development of our typology, i.e. it aims at identifying the differences in CSR demands under the Western-mainstream and Islamic logics. Specifically, we identify the elemental dimensions related to various social and environmental aspects of CSR to whom diverse meaning and emphasis are given under the two logics, which will help us in building the three ICFPs ideal types of our typology in the next section.

To select these elemental dimensions, we identified the recurrent topics and paid attention to the elements that are characterized by high variability in the two logics in terms of principles, goals and means. The focus on differences is because, while logics that have no contradictory expectations and demands do not provoke relevant concerns, attention and proper response are needed when logics present contrasting demands that need to be dealt with (see, e.g. DeJordy *et al.*, 2014). As the degree of incompatibility between logics increases, organizations face heightened challenges (Greenwood *et al.*, 2011) and may have to incorporate business practices that may not work well together (Tracey *et al.*, 2011).

As regards the Western-mainstream logic, several attempts have been made over the years to distil the most significant issues on which companies focus to gain legitimacy and that stakeholders demand as they hold companies responsible for (see, e.g. Maignan and Ralston, 2002; Sotorrio and Sánchez, 2008). Xu and Yang (2010), in an attempt of comparing the specificities of Chinese and Western CSR, identified eight relevant responsibilities according to the Western-mainstream logic: economic responsibility; legal responsibility; responsibility towards the natural environment, employees, consumers, and shareholders; equality and charity. Despite the many issues identified by Xu and Yang (2010), the responsibility towards the community (often mentioned by other authors, such as Maignan and Ralston, 2002 and Sotorrio and Sánchez, 2008) is not made explicit, though considered under the equality and charity dimensions.

As regards the Islamic logic, the elemental dimensions of CSR are to a great extent built upon CSR according to the Western-mainstream logic. For example, Adnan Khurshid *et al* (2014) used Carroll's (1979) model to develop a CSR model according to the Islamic logic, which includes economic responsibility, legal responsibility, ethical responsibility, and philanthropic responsibility. Khan and Karim (2010) focused on the responsibilities towards employees, environment, human rights, and philanthropy in their comparative study of CSR under the Islamic logic and what they call "contemporary" [6] logic, which corresponds to the Western-mainstream logic. Recently, Koleva (2020) discussed seven corporate responsibilities related to the Islamic logic: responsibility towards community, the natural environment, employees, customers, shareholders, partners, and regulators, which to a great extent match with the responsibilities identified by Xu and Yang (2010) for CSR under the Western-mainstream logic.

Thus, for the purpose of building our typology and following the methodological requirement of typology development (Doty and Glick, 1994), i.e. variables are a theory-based choice that is hypothesised to cause the differences in the ideal types, we identified five corporate social responsibilities that could be interpreted differently, especially in terms of acceptable goals and means, under Western-mainstream and Islamic logics, and which could impact SD differently. These dimensions regard the issues of economic responsibility; responsibility towards consumers; philanthropy and charity; commitment towards community and society as well as commitment towards the natural environment.

In Table 1, the identified elemental dimensions are presented in connection with each institutional logic by building on the literature about CSR according to Western-mainstream and Islamic logics.

5. The conceptual typology

In this section we present the three ideal types of our typology which reflect ICFPs strategies to reconcile the competing CSR demands deriving from the Islamic and Western-mainstream logics. For each ideal type, we provide a representation of the expected SD outcomes, which indeed depend on how ICFPs integrate the competing CSR demands in their business operations. We also provide an example of a ICFP which corresponds to each ideal type.

It is worth noting that constructs that are important to the causal processes in one ideal type may not be important to the causal processes occurring in another ideal type. As suggested by Doty and Glick (1994), a typology should provide more precise details about which constructs are most important to which ideal types. Therefore, in the text, we mainly focus on the constructs that are more important for each ideal type.

5.1 Ideal type 1: Western mimicking ICFPs

This ideal type of ICFPs adopts a strategy to answer "in parallel" to the different CSR demands of the Western-mainstream and Islamic logics. This strategy can be achieved

| CSR dimension | Western-mainstream logic | Source | Islamic logic | Source |
|--|--|---|--|---|
| Economic responsibility | W.1 W.1.1 It is the foundation upon which all other responsibilities are predicated | Carroll (1979), Carrol (1991) and Xu and Yang (2010) | I.1 I.1.1 It is important as other responsibilities and should be achieved through Sharia | Dusuki (2008), Beekun and Badawi (2005), Williams and Zinkin (2010) and Masoud (2017) |
| Responsibility towards consumers | W.2 W.2.1 No prohibition of specific products or services | Carroll (1979), Xu and Yang (2010), Perrini <i>et al.</i> (2011), ISO 26000; Yani-de-Soriano <i>et al.</i> (2012) | I.2 I.2.1 Prohibition of specific products and services | Adnan Khurshid <i>et al.</i> (2014), Brammer <i>et al.</i> (2007) and Nivoix and Ouchrif (2016) |
| | W.2.2 Use of international certifications as a way of ensuring the fulfilment of this responsibility | Christmann and Taylor (2006) | I.2.2 Use of Sharia supervisory board and/or Sharia experts as a way of ensuring the fulfilment of this responsibility | Beekun and Badawi (2005) and Williams and Zinkin (2010) |
| | W.2. Encouraging innovative and risky initiatives with no constraints on involvement in risky projects or in providing risky products and services | Covin and Slevin (1991), Menguc and Ozanne (2005) and Schaltegger and Wagner (2011) | I.2.3 Encourage innovations but with specific constraints on involvement in risky projects or in providing risky products and services | Beekun and Badawi (2005) and Adnan Khurshid <i>et al.</i> (2014) |
| | | | I.2.4 Constraints on the way of contracting with consumers (to be made according to Sharia) | Beekun and Badawi (2005) and Graafland <i>et al.</i> (2006) |
| Philanthropy and charity | W.3 W.3.1 Limited relevance and is not the primary element of CSR | Yunus (2009) and Lin-Hi (2010) | I.3 I.3.1 Charity is an essential element of CSR | Khan and Karim (2010) and Adnan Khurshid <i>et al.</i> (2014) |
| | W.3.2 No emphasis on a specific community | Carroll (1991), ISO 26000 | I.3.2 Charity is primarily directed towards Muslims | Qaradawi (2000) |
| Commitment towards community and society | W.4 W.4.1 Manifested by engaging with both local communities and society at large | Sotorrió and Sánchez (2008), ISO 26000 | I.4 I.4.1 Manifested by focusing on serving the needs of Muslim communities (Ummah) | Kamla <i>et al.</i> , 2006 and Graafland <i>et al.</i> (2006) |
| | W.4.2 Accepting diversity and not framed within the borders of a specific region or religious group | Schwartz and Huismans (1995) and UN Global Compact (2000), ISO 26000 | I.4.2 CSR activities should be consistent with Islamic tenets and to be done without breaching Islamic teachings | Koleva (2020), Graafland <i>et al.</i> (2006), Dusuki (2008), Khan and Karim (2010) and Syed and Van Buren (2014) |

Table 1.
Competing demands of Western-mainstream and Islamic logics on CSR dimensions

(continued)

| CSR dimension | Western-mainstream logic | Source | Islamic logic | Source |
|---|--|---|--|--|
| Commitments towards the natural environment | W.5 W.5.1 Focus on the economic consequences of environmental degradation and on the economic costs of environmental protection | Williams and Zinkin, 2010 and Kamla <i>et al.</i> (2006) | I.5 I.5.1 Based on the religious concept of stewardship which has an inherently ethical basis | Williams and Zinkin (2010), Kamla <i>et al.</i> (2006) and Abdelzaher <i>et al.</i> (2019) |
| | W.5.2 Focus on local and global environmental issues as suggested by international organisations | Williams and Zinkin (2010), UN 2030 Agenda (2015) and UNFCCC Paris Agreement (2015) | I.5.2 Focus on local environmental issues mainly in Muslim communities | Llewellyn (2003) and Kamla <i>et al.</i> (2006) |

Table 1.

through decoupling (Pache and Santos, 2013) or compartmentalization (DeJordy *et al.*, 2014). Following a decoupling strategy, organizations combine substantive and symbolic actions and hence respond to divergent stakeholders' demands differently and to different degrees (Pache and Santos, 2013). Substantive actions are those made to have a real impact on the company goals, operations, and processes, i.e. made for their intrinsic value (Ramus *et al.*, 2021; Pache and Santos, 2013), while symbolic actions are those made to amaze the target stakeholders by conveying meaning that transcends the intrinsic value of those actions (Pache and Santos, 2013). In this ideal type, ICFPs symbolically endorse practices prescribed by the Islamic logic while implementing substantive practices influenced by the Western-mainstream logic. In this case, the Islamic logic is not salient in determining the CSR legitimate goals, and it is decoupled from the everyday practices. Thus, the ICFPs of this ideal type follow the Western-mainstream logic in deciding their CSR policies, areas of focus, goals they intend to achieve and business operations that fit with this logic.

Under compartmentalization, organizations choose to adopt two logics but in different areas/operations (DeJordy *et al.*, 2014). In doing so, ICFPs apply the Western-mainstream logic in some aspects of their activities while adopting the Islamic logic in the other type of activities without overlapping the two logics.

Platforms of this type recognise the salience of economic responsibility (Carroll, 1979), in line with the conceptualisation of CSR under the western-mainstream logic (see Table 1, W.1.1) and thus undertake substantive actions in this direction. We expect that platforms of this ideal type pursue SD mainly by financing sustainable business projects rather than charity. Indeed, in line with Yunus (2009), the principles on which CSR is rooted under the Western-mainstream logic consider business as the most effective way of solving societal problems. Therefore, we expect that the perceived responsibility of these platforms is to funnel money towards business rather than charity (Ibidem). We thus expect that these platforms tend to favour transformational entrepreneurship rather than subsistence entrepreneurship, usually targeted by charity initiatives. According to Schoar (2010), there are two different groups of entrepreneurs. On the one side, there are individuals who become entrepreneurs as a means of providing subsistence income (i.e. subsistence entrepreneurs). On the other side, there are individuals who become entrepreneurs with the aim to create businesses that grow much beyond the scope of their subsistence needs and provide jobs and income for others (i.e. transformational entrepreneurs). The important implication of this is

that increasing financial access to non-poor groups, such as nascent and/or transformational entrepreneurs or enterprises, may achieve poverty reduction targets perhaps more effectively than targeting the poor.

We also expect that this ideal type includes ICFPs that undertake another substantive action in line with the dominance of the economic responsibility under the Western-mainstream logic, i.e. the adoption of profit-oriented models of CF (Gierczak *et al.*, 2016), i.e. equity-based and lending-based CF models (Troise *et al.*, 2021b), as well as the reward-based model (Lam and Law, 2016) with the exclusion of the donation-based model. These models allow established businesses, start-ups, and individual small projects to be considered and financed, thus enlarging the opportunity to impact different types of initiatives that range from large projects to small-scale, artisanal projects. As a way of showing their symbolic commitment to reducing risk as required by the Islamic logic (see Table 1, I.2.3) and thus reducing legitimacy threats (Boxenbaum and Jonsson, 2008), these ICFPs adopting an equity-based model may rely on a closed network of investors and opportunely emphasize through communication (Ramus *et al.*, 2021) that closed investors' networks are important to ensure the reliability of the investors and therefore reduce the risk for capital-seekers when they have access to financial support (Marzban and Boseli, 2014).

In addition, always in line with the dominance of the economic responsibility under the Western-mainstream logic, we assume that such a type of ICFPs implements another substantive action, i.e. the adoption of an all-or-nothing funding scheme which is best suited to fund business projects (Wash and Solomon, 2014). Such adoption has an impact on SD by means of a second-order effect. Indeed, Cumming *et al.* (2015) found that the campaigns' success varies, among other factors, according to the funding scheme: the adoption of an all-or-nothing scheme has been proved to help to attract a larger crowd. In fact, individual investors are more likely to invest since they know they will become capital-givers to the project only if many others also contribute. Furthermore, Cumming *et al.* (2015) hypothesise that such a scheme has an impact also on the success of projects themselves, beyond the campaign success. Indeed, with this funding scheme, projects start only if they collect all the money required and projects that start with enough funds are more likely to succeed. Therefore, we can assume that, in case of SD-oriented initiatives, the choice of an all-or-nothing scheme by this type of platforms has an impact on their contribution to SD as it affects the volume of funds collected and the probability of implementing the projects successfully. Also, we expect that these platforms undertake substantive actions which go beyond the strict intermediation process, i.e. equip capital-seekers not only with capital but also with the skills/services needed to increase their chances for success. Therefore, we expect that these platforms deliver value-added services such as incubator and/or crowdsourcing/open innovation services (Chen, 2018; Valanciene and Jegeleviciute, 2013). Such a choice, by increasing the probability of implementing the projects successfully, has a second-order positive effect on SD by supporting growth and entrepreneurship.

In framing their responsibility towards consumers, we expect that these platforms go beyond warning against prohibited sectors or prohibited products and services according to Sharia, as Islamic logic does (Beekun and Badawi, 2005) (see Table 1, I.2.1), but, on the contrary, undertake substantive actions aimed at applying positive screening criteria without focusing on prohibited products and services, i.e. search, select and promote CF campaigns which commit to achieve sustainable development goals that are legitimate and encouraged under the Western-mainstream logic (see Table 1, W.2.1). Following the Western-mainstream logic on risk-taking (see Table 1, W.2.3) we expect that these platforms do not hesitate to launch innovative though risky projects that could have a positive impact on SD and which are not explicitly forbidden by Sharia, such as cryptocurrencies-based projects (Abubakar *et al.*, 2018). Thus, these platforms hold the potential to foster innovation for new and existing businesses (see, e.g. Di Pietro *et al.*, 2018; Troise and Tani, 2020) and hold the

potential to involve individuals outside the business into the innovation process. Therefore, these platforms can gain legitimacy and be attractive for capital-givers who accept higher risks in the name of a better world and are keen to invest in these projects, which are often risky (Treacy, 2004; Kuczmarski, 1996). Similarly, as regards capital-seekers, we can expect that this type of ICFPs is able to attract individuals or companies with challenging projects characterised by highly innovative content (e.g. innovative start-ups). This may exert a huge impact on SD such as fostering innovation, technological upgrading and higher economic productivity because, as noted by Schaltegger and Wagner (2011), an ambitious approach that attempts to create a significant contribution to SD requires a substantial level of innovation. ICFPs of this type are expected to use certification and screen campaigns against them to ensure their quality and transparency in line with Western-mainstream logic guidelines (see Table 1, W.2.2) but not to have Sharia board/experts to be involved in selecting projects according to the Islamic logic (see Table 1, I.2.2). Though symbolically communicating their Sharia compliance, these platforms place the onus of Sharia certification on capital-givers (Irfan and Ahmed, 2019).

Regarding the responsibility towards community and society, we expect that platforms of this ideal type disclose their interest towards SD in a substantive way, i.e. not only supporting campaigns aimed at serving the needs of the Muslim community but also campaigns aimed at helping all communities and the society at large, in line with the values underpinned by the Western-mainstream logic (see Table 1, W.4.1). This provides legitimacy to the platforms in wider communities and could determine the expansion of the investors' base, therefore, allowing a bigger collection of capital, which can have, in turn, a greater effect on SD. Furthermore, the principle of accepting diversity which is a core value according to the Western-mainstream logic (see Table 1, W.4.2), may reduce the problem outlined by Gumel (2011) in a similar context, i.e. that a religious orientation may hinder the outreach performance of microfinance institutions and be a driver of discrimination, which ultimately has a negative effect on SD which, on the contrary, calls for strategies to reducing inequalities. Therefore, we expect that these platforms treat all capital-seekers equally without any discrimination in terms of race, religion, or gender, inspired by international human rights principles, which are the foundational elements of CSR under the Western-mainstream logic.

Moreover, concerning environmental responsibilities, we expect that these platforms implement substantive actions as influenced by the Western-mainstream logic, i.e. select SD-oriented environmental initiatives as suggested by international organisations, such as greenhouse gas emission reduction, recycling, and renewable energy use initiatives (see Table 1, W.5.1, W.5.2).

The decoupling strategy of being symbolically adhering to the Islamic logic and substantively adhering to the Western-mainstream logic makes platforms of this type mainly appreciated by secular Muslims, often living, because of the global diaspora originating from many Islamic countries, in nations where the Western-mainstream logic principles of CSR have been set and flourish. Therefore, we can expect that these Muslims can rely on higher incomes, and this could lead this type of platforms to have great opportunities to grow in terms of collected funds. We also expect that this type of platforms can be attractive also for non-Muslim capital-givers who are interested in IF, as regards the technical aspects of risk management and sharing (Alonso, 2015) rather than as regards spiritual considerations. The appreciation by high-income secular Muslims as well as non-Muslims is expected to contribute to enriching and enlarging the investment base and, thus, in turn, have a positive impact on SD. However, an excessive emphasis on Western-mainstream logic's legitimate goals and practices may betray some of the expectations according to the Islamic logic and thus may risk missing the chance of attracting campaigns and financing from Muslims rooted in normative Islam in developing countries and, in turn, having a negative impact on SD.

Following a compartmentalisation strategy, the Western-mainstream and Islamic logics may coexist in the platform. This can be pursued by running two separated CF windows; one operating according to the Islamic logic, i.e. “Islamic window” (Boone and Özcan, 2020) and the other operating according to the Western-mainstream logic, i.e. conventional CF window. Under the Islamic window, the platform commits to operating according to the prescriptions of the Islamic logic in selecting and promoting CF campaigns which require the platform to appoint a Sharia board/Sharia experts to ensure its compliance with this logic and secure its legitimacy within the Islamic logic referents (Boone and Özcan, 2020). Under the conventional window, the platform adheres to the Western-mainstream logic prescriptions in selecting and promoting campaigns. Responding to the CSR demands of two logics increases the platform legitimacy within the opposing logics referents (Greenwood *et al.*, 2011), which could enlarge the crowd base, therefore, allowing a higher number of CF campaigns to be launched with a higher chance of being financed and thus, in turn, a greater effect on SD. However, running separate Islamic and conventional windows is financially costly and operationally complex (Boone and Özcan, 2020) and could lead to fragmented organisation and thus its failure.

An example close to ideal type 1 which applies a compartmentalisation strategy is Beehive (<https://www.beehive.ae/>). Beehive is a lending crowdfunding platform that runs two separate CF windows. However, the Islamic window is accessible only from a link at the bottom of the home page, which, on the contrary, hosts the conventional CF window: “As a leading Fintech pioneer, we use innovative technology to directly connect businesses seeking fast, affordable finance with investors who can help fund their growth.”; “Whilst we typically list established businesses, we may also list some early-stage businesses and lending to these may involve higher risks”. In the Islamic CF window, compliance to the Islamic logic is testified by several claims: “Beehive has worked with prominent Islamic legal advisors, and Islamic finance industry experts to develop a structure that allows us to process investments in a Sharia compliant way”; “All businesses applying for finance are meticulously checked to ensure that the business activity and use of funds comply with the principles of Sharia.”

5.2 Ideal type 2: Islamic-driven ICFPs

This ideal type of ICFPs focuses on one prevailing logic, i.e. the Islamic logic. Thus, in this case, the Islamic logic overrides the Western-mainstream logic in determining the CSR legitimate goals and operational practices. Due to the importance of charity as corporate responsibility (Table 1, I.3.1), according to the Islamic logic, the platforms of this ideal type primarily host charity initiatives (*Zakat*-driven, *Sadaqah*-driven [7]). The impact of these charity initiatives risk to be narrow in scope, benefiting mainly small local communities, in a limited territory, sometimes a single-family in need or even a person and therefore missing a broader impact in terms of SD. Indeed, according to several authors (e.g. Schaltegger and Wagner, 2011; Hörisch, 2015), SD-oriented initiatives do not completely unfold their potential if they restrict their effects to niches or small social groups and do not provide benefits to a larger part of society. Furthermore, it is worth noting that these platforms are expected to manifest a high level of social solidarity and a social duty primarily towards the Muslim communities (see Table 1, I.4.1) and thus create, under some conditions, discrimination (Gumel, 2011), which ultimately may have a negative effect on SD.

Consistent with the Islamic logic focus on charity responsibility, for this type of ICFPs, we expect a prevalence of the donation-based model and relaxed funding mechanisms (e.g. keep-it-all scheme, no minimum pledge amount), which are particularly suitable for charity projects (Gierczak *et al.*, 2016). These relaxed funding mechanisms may encourage small contributions to be made on these platforms and thus effectively contribute to helping the bottom of the pyramid of socio-economic groups (Casselman *et al.*, 2015).

Access to this type of ICFPs may have tremendous benefit for individuals in need as a means of smoothing income shocks (e.g. a widow) or even allowing them to start subsistence activities like buying livestock. However, as in the case of micro-finance (Schoar, 2010), it has been found that only a negligible fraction of these individuals has the desire to grow their businesses beyond the subsistence level. Therefore, in terms of SD, we expect from this type of platforms a contribution, especially in Muslim communities, in reducing inequalities and easing the negative impact of economic swings as well as in reducing poverty and halting hunger but a limited effect in promoting economic growth.

This type of platforms adheres to Islamic logic prescriptions regarding the responsibility towards consumers. This means that these platforms emphasise the restriction to acceptable Islamic ideals, and they select and promote only campaigns and initiatives which commit to providing Islamic ethical products and services which are explicitly Sharia-compliant (Table 1, I.2.1). The commitment of prohibiting harmful products/services (Table 1, I.2.1) could have a positive impact on consumers health, and the ethical dealing with capital-givers and capital-seekers (see Table 1, I.2.4) could reduce inequality and poverty. However, the risk aversion of these platforms (see Table 1, I.2.3) – more than the first ideal type – may have a negative effect by missing opportunities for SD, which often requires innovative and risky initiatives (Menguc and Ozanne, 2005; Schaltegger and Wagner, 2011). Yet, according to some authors (see, e.g. Hussein and Omran, 2005), investing in less risky projects (like the projects that are supposed to be launched on these platforms due to the prohibition of transactions featuring high risks as required by the Islamic logic (see Table 1, I.2.3) in the end can turn into more guaranteed results thus making business campaigns launched on this type of ICFPs attractive for many risk-averse capital-givers. This could contribute to enlarging the investor base, and thus it could have an indirect positive effect on SD.

Platforms of this ideal type are expected to have a Sharia board/experts, either as an internal or an external service, to ensure the fulfilling of their responsibilities, consistently with their commitment to the Islamic logic (Table 1, I.2.2). Thus, we expect a positive impact of having Sharia board/experts on SD by increasing transparency, reducing fraud, and protecting consumers. On the other side, we expect that these platforms are less efficient in promoting SD due to the high administrative/operating costs of appointing Sharia board/experts (Nivoix and Ouchrif, 2016) compared to the first ideal type that does not have a Sharia board.

In line with the conceptualisation of responsibility toward community and society under the Islamic logic, these platforms aim at adhering to this logic legitimate goals and practices by selecting and promoting campaigns and initiatives that address social issues mainly in Muslim communities (Ummah) (Table 1, I.4.1). In doing so, restrictive selection processes are expected to be undertaken to ensure that campaigns/initiatives do not contradict the Islamic prescriptions about social activities (see Table 1, I.4.2). Also according to Islamic logic, the man in Islam has a religious obligation to provide his family with adequate economic resources while the woman has not such a duty (Syed and Van Buren, 2014; Metcalfe, 2008). This could mean that we may find in these platforms fewer business initiatives launched by women entrepreneurs, thus in contrast with SD goal of women empowerment. However, we expect many charity initiatives that aim at supporting women facing financial hardship, thus protecting women health and wellbeing.

Regarding the responsibility towards the natural environment and in line with its conceptualisation under the Islamic logic, we expect that these platforms select and promote environmental campaigns focusing on local-specific environmental problems, especially in Muslim communities (Table 1, I.5.2), instead of targeting global environmental issues. Therefore, they could contribute positively to achieving SD environmental goals such as combating climate change, reducing waste generation, and increasing natural resources-use efficiency (e.g. water-use) mainly in Muslim communities. Because not all environmental and

social problems are considered equally feasible and legitimate in CF contexts (Calic and Mosakowski, 2016), the growing population issue is supposed not to be relevant for this ideal type compared to other social issues such as poverty reduction. Thus, we expect this type of platforms to select and promote no or very limited initiatives addressing population and birth control issues, therefore, exerting a limited impact on SD contribution related to population control.

Due to the dominance of the Islamic logic in these platforms, the staff of such platforms may have “the right theology” but may have low management skills (see, e.g. Mersland *et al.*, 2013 about the microfinance industry). This means that they can be less effective in choosing the projects to be launched on the platforms. Also, there is a possibility of bias in selecting campaigns that could give precedence to Muslims over non-Muslims. Accordingly, these platforms may overlook innovative initiatives that could have a significant impact on SD. Moreover, platforms of this type can rely on a captive market, i.e. the Muslims who will come to them on religious grounds mainly. At the same time, they risk losing both non-Muslim investors who could be interested in investing according to ethical principles but without too strong religious bounds as well as secular Muslim investors who could prefer other types of ICFPs. This could end in missing a broad range of important worldwide investors, especially in the developed countries, who may have diversified experiences, good international networks, and wealth, thus having a negative impact on SD.

An example close to ideal type 2 which focuses on one prevailing logic, i.e. the Islamic logic, is GlobalSadaqah (www.globalsadaqah.com). GlobalSadaqah is a donation-based crowdfunding platform that supports *Zakat* and *Sadaqah* campaigns. The mission of this platform is clearly summarised in several statements appearing in the home page which are consistent with the dominance of charity emphasized under the Islamic logic, without any emphasis on economic issues or any reference to international CSR standards or organisations: “Give Charity, Sadaqah, Zakat, and Waqf online”; “Salam – Hello! We are an award winning CSR, Zakat and Waqf Management platform working together with stakeholders including religious bodies, foundations, banks, corporates, and the public to increase the efficiency, sustainability and impact of Social Finance”. In addition, in line with the Islamic logic of this ideal type, GlobalSadaqah has Islamic Finance advisors to ensure compliance with Sharia principles and clearly states its compliance with Islamic standards as the following excerpt from its website shows: “We’re Islamic Digital Economy Standards Compliant”; “Zakat/Waqf eligible campaigns verified and approved by in-house Shariah team”. Moreover, most campaigns refer to after-life returns and uses excerpts from Al-Quran and Sunnah as a way of encouraging people to donate as shown in following excerpts: “The Messenger of Allah ﷺ said: “Whoever relieves a Muslim of a burden from the burdens of the world, Allah will relieve him of a burden from the burdens on the Day of Judgement”; “Allah loves all those who give and help remove a difficulty of a fellow Muslim”.

5.3 Ideal type 3: Syncretism-inspired ICFPs

This ideal type of ICFPs adopts hybridizing practices, e.g. a selective coupling strategy (Pache and Santos, 2013). In labelling this ideal type, we chose the word “syncretism” since it reflects the meaning of its Greek roots: a union of heterogeneous elements. “Syncretism” is the amalgamation or attempted amalgamation of different forms of beliefs, practices, and rule systems. It is different from the word “synthesis”, where the items form a connected whole. Thus, we believe the term best describes ICFPs that work to appreciate and respond to the different demands about legitimate CSR goals and behaviours under the Western-mainstream and Islamic logics. Trying to incorporate different logics is never a straightforward exercise; thus, we expect that these platforms are rife with tensions and trade-offs (Greenwood *et al.*, 2011).

In this ideal type, ICFPs selectively couple intact elements prescribed by the Western-mainstream and Islamic logics. This strategy allows ICFPs to project legitimacy to the referents of the two logics (Pache and Santos, 2013) with an expected higher impact on SD than the previous two ideal types. Indeed, platforms of this ideal type recognise both the importance of economic responsibility (Table 1, W.1.1), in line with the Western-mainstream logic, and the importance of charity, in line with the Islamic logic (Table 1, I.3.1). Thus, we expect that platforms of this ideal type pursue SD by means of selecting and promoting business projects as well as charity projects. Consistent with this strategy of hybridizing, we expect that a platform of this ideal type run both profit-oriented and non-profit-oriented models of CF and allow relaxed and unrelaxed funding mechanisms (Gierczak *et al.*, 2016). This opens the opportunity for funds to several capital-seekers that include subsistence and transformational entrepreneurs as well as needy people with the SD effects related to these CF models and schemes as explained in the previous two ideal types but with a higher SD impact due to the wider base of capital-seekers. However, running all CF models by the platform may have a negative impact on capital-seekers due to increased competition between campaigns. This increased competition and reduced chance of funding are compensated by the increased legitimacy of the platform within both logics' referents and the increased crowd base. On the one side, these platforms can rely on a captive market, i.e. the Muslims who come on a religious ground mainly; on the other side, they can rely on a broader market, i.e. on secular Muslims and non-Muslims. This is applicable both to capital-givers and capital-seekers. The former is driven by either religious needs or ethical and developmental concerns. The latter may span several segments: from low income and low education individuals to successful entrepreneurs with relevant income to individuals with high school and university diplomas. Such a broad outreach, both in terms of capital-givers and capital-seekers, could lead to having great opportunities in terms of raised funds and in terms of SD, as explained before.

In this ideal type, responding to the Western-mainstream and Islamic logics may create dilemmas to the platform when it must decide which campaigns to select and launch and how much to promote them. For example, charity is not the primary social responsibility under the Western-mainstream logic (Table 1, W.3.1), and when it is enacted, it is expected to benefit the needy people of the society at large (Table 1, W.3.2) while, on the contrary, under the Islamic logic, charity has a high priority (Table 1, I.3.1) as a social responsibility with focus mainly on Muslim community (Table 1, I.3.2). To deal with different charity expectations of the two logics, platforms of this ideal type hybridize the two logics by serving both the Muslim community and society at large but with a different way of application: Zakat campaigns can be funded from and paid only to Muslims, following specific rules according to Islam, whereas Sadaqah campaigns can be funded from and paid to needy people of the society at large (i.e. both Muslims and non-Muslims). Meeting the two logics expectations increases the platform legitimacy between the two logics referents (Pache and Santos, 2013), leading to a wider crowd base who could run and support charity campaigns that aim to reduce poverty and improve people's lives.

In dealing with the responsibility towards consumers, the platforms selectively couple intact elements prescribed by the Western-mainstream and the Islamic logics in selecting and promoting campaigns. The platforms of this ideal type adopt two screening processes in selecting campaigns: one undertaken by professional employees following the prescription of the Western-mainstream logic on certification (e.g. product/service quality, transparency) (see Table 1, W.2.2) and one undertaken by Sharia board/experts following the prescription of the Islamic logic on consumer issues (e.g. *Halal* products/services) (see Table 1, I.2.2). In this regard, tension is expected when potential campaigns relate to innovative and highly risky products (e.g. cryptocurrencies-based applications). Sharia board/experts may reject selecting these campaigns, according to Sharia risk principles, while platform's professional employees may have the willingness to launch them following the

prescriptions of the Western-mainstream logic of supporting entrepreneurial risk-taking and innovative (risky) projects. In such cases, these platforms initially apply positive screening criteria; then a further process is undertaken in which Sharia board/experts discuss the risk of such projects with the platforms' professional employees in order to structure the funding of such projects according to IF contracts similar to the process of "*halalization*" in Islamic banks of structuring conventional banking products to be Sharia-compliant (Boone and Özcan, 2020). In committing to the responsibility towards community and society, the platforms of this ideal type select and promote campaigns that aim at benefiting the Muslim community (Table 1, I.4.1) and society at large (Muslims and non-Muslims) (Table 1, W.4.1). Battilana and Dorado (2010) suggest reducing the attachment to competing logics as a way of reducing the perceived competition between logics. In line with this, platforms are expected to downplay the rifts between the Western-mainstream and the Islamic logics by using a communication tone that fits with both logics and avoiding referring explicitly to both logics principles and avoiding using statements that have a strong affiliation with one or the other logic. For example, platforms of this type do not mention Sharia experts that show high affiliation to Islamic logic and, at the same time, do not mention the professional organisation standards and principles that show high attachment to the Western-mainstream logic. Furthermore, platforms of this ideal type select and promote campaigns launched by women which could help to achieve gender equality and women empowerment; however, a dilemma may arise when there are other competing campaigns promoted by men who, according to the Islamic logic, have the duty to take care of the family wellbeing and thus require to be given precedence.

In addition, these platforms are supposed to encourage campaigns to handle environmental issues at the local (Table 1, I.5.2) and the global level (Table 1, W.5.2) in Muslim (Table 1, I.5.2) and non-Muslim communities (Table 1, W.5.2). While Western-mainstream logic could consider initiatives aimed at controlling birth rates in order to reduce human environmental footprint, this option could not be accepted by the Islamic logic, as already explained for the Islamic-driven ideal type. Therefore, platforms of this type are expected to select and promote non-controversial campaigns that focus, for example, on ensuring access to sexual and reproductive healthcare services, including family planning, information, and education, rather than focusing explicitly on birth control.

A specific challenge for this type of ICFPs is the operating/administrative complexity and costs to be compliant with Western-mainstream as well as Islamic CSR logics. Indeed, we expect that these platforms try to adhere to Western-mainstream CSR demands (e.g. by appointing professional employees), as well as the Islamic CSR demands (e.g. by appointing Sharia board/experts). However, some authors claim that the selective coupling strategy can be less costly than engaging in deceptions and negotiations that may occur, for example, in compartmentalization strategies for having to craft new practices that are a compromise between the practices promoted by different logics (Pache and Santos, 2013). In addition, the broad crowd base (i.e. traditional Muslims, secular Muslims and non-Muslims) of these platforms could help them achieve economies of scale and therefore overcome such a challenge.

An example close to ideal type 3 which adopts hybridizing practices, more specifically, a selective coupling strategy is Kapital Boost (<https://kapitalboost.com/>). Kapital Boost is a platform that supports both donation and business campaigns such as Murabaha (cost-plus profit). It selectively couples intact elements prescribed by the Western-mainstream and Islamic logics as it emerges from the following excerpts: "*our Singapore-based hybrid crowdfunding platform allows our members to invest or donate in a way that is ethical and Shariah-focused*"; "*Invest ethically and support promising SMEs*"; "*Invest for the hereafter. Donate to social projects in Asia*"; "*Investing is not only for financial returns. Kapital Boost offers members the opportunity to invest for the Akhirah (hereafter)*"; "*our investment*

opportunities are guided by moral and ethical values. For instance, we do not support activities involved in gambling, weapons or those causing environmental harm". In addition, Kapital Boost shows compliance to the prescriptions of both Islamic and Western-mainstream logics by indicating that it is a certified Sharia-compliant platform and by assuring transparency, providing detailed information about the team, the fundraising process, the investment process, the fees, and the risks as shown in the following excerpts: "Kapital Boost's Murabaha crowdfunding structure is certified Shariah compliant by the Financial Shariah Advisory and Consultancy"; "These investments are ethical and have quick turnaround of 90 to 360 days. We focus on risk reduction and employ a robust Due Diligence and Screening Process – analysing operating and credit history, past cash flow, corporate governance, counterparty risk, and assess social media mileage – to determine the best funding opportunities for our members."

6. Conclusions

This paper provides both theoretical and practical contributions.

6.1 Theoretical contribution

This paper contributes to the literature which investigates the innovation potential of CF in contributing to SD (e.g. [Testa et al., 2019](#); [Böckel et al., 2021](#); [Troise et al., 2021a](#)). Specifically, it suggests an institutional logic perspective to explain variances in crowdfunding platforms' role in addressing SD and focuses on a specific type of CF platforms till now neglected, i.e. ICFPs. These platforms can attract not only the huge community of Muslims but increasingly non-Muslim investors interested in venturing and investing according to the ethical principles of Islamic Finance, thus changing from being a niche phenomenon into a global one. This paper shows how different strategies to respond to competing CSR demands from stakeholders who adhere to Islamic and Western-mainstream logics may favour different projects, entrepreneurs, and innovations with different contributions to SD. The competing logics and the related resolving strategies lead to considering and weighing CSR dimensions in a different way, and this exerts an impact on platforms' business operations (related to both routinary activities such as campaigns' selection and promotion and one-time activities such as the choice of CF models and funding mechanisms) which in turns impact on SD outcomes.

This paper shows how different resolution strategies to respond to divergent CSR demands deriving from different logics lead to different types of capital-seekers and capital-givers involved in the crowdfunding process with varying contributions to SD. This is illustrated in [Figure 2](#), which lays out the chain from institutional pressures through CSR to SD impacts.

The typology developed may be a useful starting point to develop systematic, theory-based studies about the innovation potential of CF platforms in contributing to SD through the lens of competing CSR logics. It thus may serve as an analytical framework to structure analysis and comparison and can potentially be used for the development of quantitative as well as qualitative analysis. This paper advances our understanding of how a specific type of CF actors (ICFPs) enacts its social responsibilities and thus its innovation potential in contributing to SD by emphasizing the importance of having clear categories, i.e. the ideal types, which may explain such a contribution. We distinguished three ideal types and we also highlighted that several challenges exist in each ideal type. Our typology suggests that all the ideal types may have a positive impact on SD but with varying degrees of potential in contributing to SD.

The Western-mimicking type (i.e. platforms adopting decoupling/compartimentalizing strategies) tends to impact SD by favouring financial access to non-poor groups, such as nascent and or small innovative entrepreneurs, who may achieve SD targets in two ways,

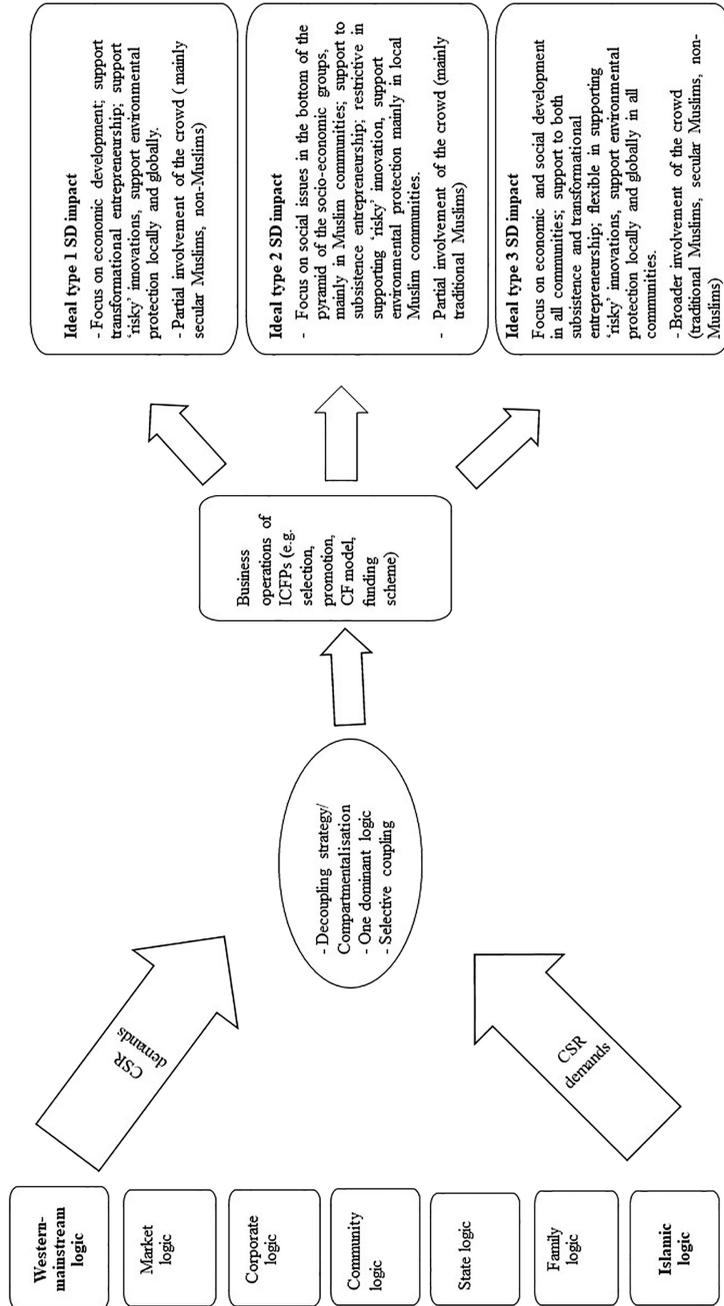


Figure 2.
The chain from institutional pressures to SD impacts for ICFPs

i.e. by both performing their sustainability-oriented innovative initiatives and by creating new demand for labour, which subsequently has an effect of rising incomes, especially for the low-income unskilled groups. This type tends to favour transformational entrepreneurs rather than subsistence entrepreneurs.

The Islamic-driven type (i.e. platforms focusing on one prevailing logic) tends to impact SD by mainly providing charity to support the bottom of the pyramid of the socio-economic groups, and thus it tends to favour subsistence entrepreneurs over transformational entrepreneurs.

The Syncretism-inspired type (i.e. platforms adopting hybridizing practices, e.g. a selective coupling strategy) recognises the importance of economic sustainability in line with Western-mainstream logic and the importance of charity to support poor and people in need, in line with Islamic logic and thus pursue SD by means of innovative business projects as well as charity projects. It opens the opportunity for both subsistence and transformational entrepreneurs with a broader involvement of the crowd and with a broader SD impact.

It is worth noting that we can extend our typology's conceptualizations to other organizations such as microfinance organizations (which, in fact, share several common features with CF actors, [Bruton et al., 2015](#)) and charities organizations. The same conceptualization could also be applied to banks (at least those engaged in responsible investing) when they decide which projects/companies to promote and/or finance. In general, the typology allows researchers to get a deeper understanding of the mechanisms linking certain strategies for dealing with competing CSR demands to certain outcomes by disentangling specific dimensions and outcomes of the CSR-SD link.

6.2 Practical contribution

This paper contributes to practice in several ways.

First, policymakers and international development actors could use our typology and make more informed decisions about which type of ICFPs they should regulate and/or support. For example, as outlined in the typology, Islamic-driven platforms primarily promote charity initiatives, in line with the Islamic logic, while Western mimicking platforms emphasize the promotion of entrepreneurial activities focused on operating their core business in a socially responsible way. Therefore, if the goal is to seed entrepreneurship, Western mimicking platforms, which promote initiatives rooted on solid business reasons, could be more suitable for that purpose. Rather, Islamic-driven platforms would be better suited to addressing the socio-economic needs of Muslim societies when States do not sufficiently provide social welfare services (see, e.g. [Clark, 2004](#) on the role of Islamic citizens in assisting those in need). It is also worth reminding for public interventions that differences exist among the types of entrepreneurs (in terms of transformational and subsistence) that different ICFPs may attract.

Second, practitioners aiming at developing ICFPs could use our typology to derive useful design suggestions on how to attract SD-oriented innovative campaigns as well as capital givers wishing to contribute.

Third, the proposed ideal types can support ICF managers in analyzing the implications that derive from the demands of the surrounding context and their influence on platforms' innovation potential in contributing to SD, which could be useful both to better understand the results of past choices and to support the planning of future actions.

Finally, a better understanding of the relationship between each ideal type and its innovation potential in contributing to SD can also help both capital-givers and capital-seekers. Capital-seekers can gain insight into the types of ICF platforms that make sense to focus their efforts on, according to their mission and goals. At the same time, capital-givers can better understand what type of ICF platform to choose for their backing.

6.3 Limitations and future developments

One limitation of our work regards the fact that the role of time is not considered despite its relevance (see Ramus *et al.*, 2021). Platforms may change over time and recombine the demands from different logics in new ways which could impact platforms' innovation potential in contributing to SD. For example, we know that in the long run, decoupling strategies may result in the complete dissatisfaction of both parties by achieving only formalities without reaching important practical objectives (Pache and Santos, 2013). Furthermore, beyond the two logics investigated here, other logics (including other religious logics) may exert an influence on CSR demands (see Arena *et al.*, 2018) and the complexity deriving from more than two concurrent institutional logics needs to be further investigated. In further research, beyond overcoming the mentioned limitations, we recommend applying the typology to analyze real empirical cases. This step will be useful both to test the applicability of the typology and to investigate the campaigns financed by the different typologies of ICFPs to verify that the formulated innovation potentials in contributing to SD are confirmed.

Notes

1. SD most famously expressed in the Brundtland Report's definition as meeting "the needs of the present without compromising the ability of future generations to meet their needs" (World Commission on Environment and Development, 1987, p. 43). SD fields range from social (e.g. poverty reduction, education) to economic (e.g. supporting innovation and economic growth) to environmental (e.g. reducing CO2 emissions) fields.
2. Sharia in Islam is considered as the Islamic law which is based on four sources: Al-Quran (God "Allah" revelation to Prophet Mohammad), the Sunnah (the recorded sayings, behaviour and approvals of Prophet Mohammad), consensus of scholars, and analogy (or analogical deduction which means the derivation of a ruling concerning a new situation or problem based on analogy with a similar situation dealt with in Al-Quran and/or the Sunnah).
3. See ICFPs among the Islamic FinTech landscape <https://ifinfintech.com/landscape/> Last accessed in June 21, 2022.
4. It does not come as a surprise that the leading professional organisations in the field of CSR and Sustainability have headquarters in Western countries. For example, ISO in Switzerland, GRI in the Netherlands, UN Global Compact in the US, OECD in France, World Business Council for Sustainable Development in Switzerland, and the International Integrated Reporting Council in the UK.
5. See Bailey (1994) for a distinction between a conceptual and an empirically derived typology.
6. The authors call contemporary view what we call Western-mainstream logic as they discuss the contemporary in western context.
7. In Islam there are several types of charity. Zakat is like a tax (i.e. mandatory) and type of worship that is levied on wealth that exceeds a certain threshold. Zakat is used for social welfare purposes without any expectations of repayment or remuneration. Sadaqah consists of a non-mandatory donation of cash or an asset for religious or charitable purposes with no intention of reclaim. The majority of Muslim scholars agree that Zakat should be distributed only to the Muslim community as per the eight categories mentioned in Al-Quran while Sadaqah can be used for any lawful purpose as per Sharia for the benefit of society (i.e. Muslims and non-Muslims) and not limited to specific categories of beneficiaries (Qaradawi, 2000).

References

- Abdelzaher, D.M., Kotb, A. and Helfaya, A. (2019), "Eco-Islam: beyond the principles of why and what, and into the principles of how", *Journal of Business Ethics*, Vol. 155 No. 3, pp. 623-643.
- Abubakar, Y.S., Ogunbado, A.F. and Saidi, M.A. (2018), "Bitcoin and its legality from Shariah point of view", *SEISENSE Journal of Management*, Vol. 1 No. 4, pp. 13-21.

-
- Adnan Khurshid, M., Al-Aali, A., Ali Soliman, A. and Mohamad Amin, S. (2014), "Developing an Islamic corporate social responsibility model (ICSR)", *Competitiveness Review*, Vol. 24 No. 4, pp. 258-274.
- Alonso, I.M. (2015), "Crowdfunding in Islamic finance and microfinance: a case study of Egypt", *Access to Finance and Human Development — Essays on Zakah, Awqaf and Microfinance*, Bloomsbury Qatar Foundation, Doha, Vol. 1, pp. 85-94.
- André, K., Bureau, S., Gautier, A. and Rubel, O. (2017), "Beyond the opposition between altruism and self-interest: reciprocal giving in reward-based crowdfunding", *Journal of Business Ethics*, Vol. 146 No. 2, pp. 313-332.
- Arena, M., Azzone, G. and Mapelli, F. (2018), "What drives the evolution of Corporate Social Responsibility strategies? An institutional logics perspective", *Journal of Cleaner Production*, Vol. 171, pp. 345-355.
- Arena, M., Azzone, G. and Mapelli, F. (2019), "Corporate Social Responsibility strategies in the utilities sector: a comparative study", *Sustainable Production and Consumption*, Vol. 18, pp. 83-95.
- Bailey, K.D. (1994), *Typologies and Taxonomies: An Introduction to Classification Techniques*, Sage Publications, Thousand Oaks, California.
- Battilana, J. and Dorado, S. (2010), "Building sustainable hybrid organizations: the case of commercial microfinance organizations", *Academy of Management Journal*, Vol. 53 No. 6, pp. 1419-1440.
- Battilana, J., Sengul, M., Pache, A.C. and Model, J. (2015), "Harnessing productive tensions in hybrid organizations: the case of work integration social enterprises", *Academy of Management Journal*, Vol. 58 No. 6, pp. 1658-1685.
- Beekun, R.I. and Badawi, J.A. (2005), "Balancing ethical responsibility among multiple organizational stakeholders: the Islamic perspective", *Journal of Business Ethics*, Vol. 60 No. 2, pp. 131-145.
- Berns, J.P., Figueroa-Armijos, M., da Motta Veiga, S.P. and Dunne, T.C. (2020), "Dynamics of lending-based prosocial crowdfunding: using a social responsibility lens", *Journal of Business Ethics*, Vol. 161 No. 1, pp. 169-185.
- Besharov, M.L. and Smith, W.K. (2014), "Multiple institutional logics in organizations: explaining their varied nature and implications", *Academy of Management Review*, Vol. 39 No. 3, pp. 364-381.
- Böckel, A., Hörisch, J. and Tenner, I. (2021), "A systematic literature review of crowdfunding and sustainability: highlighting what really matters", *Management Review Quarterly*, Vol. 71 No. 2, pp. 433-453.
- Bonzanini, D., Giudici, G. and Patrucco, A. (2016), "The crowdfunding of renewable energy projects", *Handbook of Environmental and Sustainable Finance*.
- Boone, C. and Özcan, S. (2020), "Oppositional logics and the antecedents of hybridization: a country-level study of the diffusion of Islamic banking windows, 1975-2017", *Organization Science*, Vol. 31 No. 4, pp. 990-1011.
- Bowen, H.R. (1953), *Social Responsibilities of the Businessman*, University of Iowa Press, New York, NY.
- Boxenbaum, E. and Jonsson, S. (2008), "Isomorphism, diffusion and decoupling", in Greenwood, R., Oliver, C., Suddaby, R. and Sahlin-Andersson, K. (Eds), *The Sage Handbook of Organizational Institutionalism*, Sage, London, pp. 78-98.
- Brammer, S., Williams, G. and Zinkin, J. (2007), "Religion and attitudes to corporate social responsibility in a large cross-country sample", *Journal of Business Ethics*, Vol. 71 No. 3, pp. 229-243.
- Bromley, P. and Powell, W.W. (2012), "From smoke and mirrors to walking the talk: decoupling in the contemporary world", *Academy of Management Annals*, Vol. 6 No. 1, pp. 483-530.
- Bruton, G., Khavul, S., Siegel, D. and Wright, M. (2015), "New financial alternatives in seeding entrepreneurship: microfinance, crowdfunding, and peer-to-peer innovations", *Entrepreneurship Theory and Practice*, Vol. 39 No. 1, pp. 9-26.

- Bukhari, F.A.S., Usman, S.M., Usman, M. and Hussain, K. (2019), "The effects of creator credibility and backer endorsement in donation crowdfunding campaigns success", *Baltic Journal of Management*, Vol. 15 No. 2, pp. 215-235.
- Butticè, V., Colombo, M.G., Fumagalli, E. and Orsenigo, C. (2019), "Green oriented crowdfunding campaigns: their characteristics and diffusion in different institutional settings", *Technological Forecasting and Social Change*, Vol. 141, pp. 85-97.
- Calic, G. and Mosakowski, E. (2016), "Kicking off social entrepreneurship: how a sustainability orientation influences crowdfunding success", *Journal of Management Studies*, Vol. 53 No. 5, pp. 738-767.
- Campbell, J.L. (2007), "Why would corporations behave in socially responsible ways? An institutional theory of corporate social responsibility", *Academy of Management Review*, Vol. 32 No. 3, pp. 946-967.
- Carroll, A.B. (1979), "A three-dimensional conceptual model of corporate performance", *Academy of Management Review*, Vol. 4 No. 4, pp. 497-505.
- Carroll, A.B. (1991), "The pyramid of corporate social responsibility", *Toward the Moral Management of Organizational Stakeholders*, Vol. 34 No. 4, pp. 39-48.
- Casselmann, R., Sama, L. and Stefanidis, A. (2015), "Differential social performance of religiously-affiliated Microfinance Institutions (MFIs) in base of pyramid (BoP) markets", *Journal of Business Ethics*, Vol. 132 No. 3, pp. 539-552.
- Chen, Z. (2018), "Some analysis on several leading crowdfunding platforms in China", *Financing from Masses*, Springer, Singapore, pp. 107-118.
- Christmann, P. and Taylor, G. (2006), "Firm self-regulation through international certifiable standards: determinants of symbolic versus substantive implementation", *Journal of International Business Studies*, Vol. 37 No. 6, pp. 863-878.
- Clark, J.A. (2004), *Islam, Charity, and Activism: Middle-Class Networks and Social Welfare in Egypt, Jordan, and Yemen*, Indiana University Press, Bloomington, Indiana.
- Covin, J.G. and Slevin, D.P. (1991), "A conceptual model of entrepreneurship as firm behavior", *Entrepreneurship Theory and Practice*, Vol. 16 No. 1, pp. 7-26.
- Cumming, D.J., Leboeuf, G. and Schwiendbacher, A. (2015), "Crowdfunding models: keep-it-all vs. all-or-nothing", *Financial Management*, Vol. 49 No. 2, pp. 331-360.
- Cumming, D.J., Johan, S.A. and Zhang, Y. (2019), "The role of due diligence in crowdfunding platforms", *Journal of Banking and Finance*, Vol. 108, 105661.
- Dacin, M.T., Goodstein, J. and Scott, W.R. (2002), "Institutional theory and institutional change: introduction to the special research forum", *Academy of Management Journal*, Vol. 45 No. 1, pp. 45-56.
- Dahlsrud, A. (2008), "How corporate social responsibility is defined: an analysis of 37 definitions", *Corporate Social Responsibility and Environmental Management*, Vol. 15 No. 1, pp. 1-13.
- DeJordy, R., Almond, B., Nielsen, R. and Creed, W.D. (2014), "Serving two masters: transformative resolutions to institutional contradictions", *Religion and Organization Theory*, Emerald Group Publishing.
- Di Pietro, F., Prencipe, A. and Majchrzak, A. (2018), "Crowd equity investors: an underutilized asset for open innovation in startups", *California Management Review*, Vol. 60 No. 2, pp. 43-70.
- DiMaggio, P.J. and Powell, W.W. (1983), "The iron cage revisited: institutional isomorphism and collective rationality in organizational fields", *American Sociological Review*, Vol. 48 No. 2, pp. 147-160.
- Doty, D.H. and Glick, W.H. (1994), "Typologies as a unique form of theory building: toward improved understanding and modeling", *Academy of Management. The Academy of Management Review*, Vol. 19, pp. 230-251.

-
- Dusuki, A.W. (2008), "What does Islam say about corporate social responsibility?", *Review of Islamic Economics*, Vol. 12 No. 1, pp. 5-28.
- Fathallah, R., Sidani, Y. and Khalil, S. (2019), "How religion shapes family business ethical behaviors: an institutional logics perspective", *Journal of Business Ethics*, Vol. 163 No. 4, pp. 647-659.
- Fernando, S. and Lawrence, S. (2014), "A theoretical framework for CSR practices: integrating legitimacy theory, stakeholder theory and institutional theory", *Journal of Theoretical Accounting Research*, Vol. 10 No. 1, pp. 149-178.
- Ferraro, F., Etzion, D. and Gehman, J. (2015), "Tackling grand challenges pragmatically: robust action revisited", *Organization Studies*, Vol. 36, pp. 363-390.
- Friedland, R. and Alford, R.R. (1991), "Bringing society back in: symbols, practices, and institutional contradictions", in Powell, W.W. and DiMaggio, P.J. (Eds), *The New Institutionalism in Organizational Analysis*, University of Chicago Press, Chicago, IL, pp. 232-266.
- Gierczak, M.M., Bretschneider, U., Haas, P., Blohm, I. and Leimeister, J.M. (2016), "Crowdfunding: outlining the new era of fundraising", *Crowdfunding in Europe*, Springer, Cham, pp. 7-23.
- Gleasure, R. and Feller, J. (2016), "Emerging technologies and the democratisation of financial services: a metatriangulation of crowdfunding research", *Information and Organization*, Vol. 26 No. 4, pp. 101-115.
- Glynn, M.A. and Raffaelli, R. (2013), "Logic pluralism, organizational design, and practice adoption: the structural embeddedness of CSR programs", *Institutional Logics in Action, Part B*, Emerald Group Publishing.
- Graafland, J., Mazereeuw, C. and Yahia, A. (2006), "Islam and socially responsible business conduct: an empirical study of Dutch entrepreneurs", *Business Ethics: A European Review*, Vol. 15 No. 4, pp. 390-406.
- Greenwood, R., Raynard, M., Kodeih, F., Micelotta, E.R. and Lounsbury, M. (2011), "Institutional complexity and organizational responses", *Academy of Management Annals*, Vol. 5 No. 1, pp. 317-371.
- Gümüşay, A.A., Smets, M. and Morris, T. (2020), "God at work": engaging central and incompatible institutional logics through elastic hybridity", *Academy of Management Journal*, Vol. 63 No. 1, pp. 124-154.
- Gumel, G.B. (2011), "Micro finance institutions in Nigeria outreach and sustainability: questionnaire survey findings", *International Journal of Business and Social Science*, Vol. 2 No. 9, pp. 126-129.
- Halme, M., Rintamäki, J., Knudsen, J.S., Lankoski, L. and Kuisma, M. (2020), "When is there a sustainability case for CSR? Pathways to environmental and social performance improvements", *Business and Society*, Vol. 59 No. 6, pp. 1181-1227.
- Haniffa, R. and Hudaib, M. (2007), "Exploring the ethical identity of Islamic banks via communication in annual reports", *Journal of Business Ethics*, Vol. 76 No. 1, pp. 97-116.
- Hörisch, J. (2015), "Crowdfunding for environmental ventures: an empirical analysis of the influence of environmental orientation on the success of crowdfunding initiatives", *Journal of Cleaner Production*, Vol. 107, pp. 636-645.
- Hussein, K. and Omran, M. (2005), "Ethical investment revisited: evidence from Dow Jones Islamic indexes", *The Journal of Investing*, Vol. 14 No. 3, pp. 105-126.
- Irfan, H. and Ahmed, D. (2019), "Fintech: the opportunity for Islamic finance", *Fintech in Islamic Finance*, Routledge, pp. 19-30.
- ISO (2010), *Guidance on Social Responsibility - ISO 26000:2010(E)*, Geneva, available at: <https://www.iso.org/standard/42546.html> (accessed 25 June 2022).
- Jamali, D. and Karam, C. (2018), "Corporate social responsibility in developing countries as an emerging field of study", *International Journal of Management Reviews*, Vol. 20 No. 1, pp. 32-61.

- Jamali, D., Karam, C., Yin, J. and Soundararajan, V. (2017), "CSR logics in developing countries: translation, adaptation and stalled development", *Journal of World Business*, Vol. 52 No. 3, pp. 343-359.
- Jammulamadaka, N. (2020), "Reading institutional logics of CSR in India from a post-colonial location", *Journal of Business Ethics*, Vol. 163 No. 3.
- Jones, C., Maoret, M., Massa, F.G. and Svejenova, S. (2012), "Rebels with a cause: formation, contestation, and expansion of the de novo category "modern architecture," 1870-1975", *Organization Science*, Vol. 23 No. 6, pp. 1523-1545.
- Kamla, R., Gallhofer, S. and Haslam, J. (2006), "Islam, nature and accounting: Islamic principles and the notion of accounting for the environment", *Accounting Forum*, Vol. 30, pp. 245-265.
- Khan, M.S.U. and Karim, N. (2010), "Corporate social responsibility: contemporary thought and Islamic perspectives", *Thoughts on Economics*, Vol. 21 No. 1, pp. 45-55.
- Koleva, P. (2020), "Towards the development of an empirical model for Islamic corporate social responsibility: evidence from the Middle East", *Journal of Business Ethics*, Vol. 171 No. 4, pp. 789-813.
- Kraatz, M.S. and Block, E.S. (2008), "Organizational implications of institutional pluralism", *The Sage Handbook of Organizational Institutionalism*, Vol. 840, pp. 243-275.
- Kuczmariski, T.D. (1996), "What is innovation? The art of welcoming risk", *Journal of Consumer Marketing*, Vol. 13 No. 5, pp. 7-11.
- Lam, P.T. and Law, A.O. (2016), "Crowdfunding for renewable and sustainable energy projects: an exploratory case study approach", *Renewable and Sustainable Energy Reviews*, Vol. 60, pp. 11-20.
- Lee, M., Ramus, T. and Vaccaro, A. (2018), "From protest to product: strategic frame brokerage in a commercial social movement organization", *Academy of Management Journal*, Vol. 61 No. 6, pp. 2130-2158.
- Lin-Hi, N. (2010), "The problem with a narrow-minded interpretation of CSR. Why CSR has nothing to do with philanthropy", *Ramon Llull Journal of Applied Ethics*, Vol. 1 No. 1, pp. 75-95.
- Llewellyn, O.A. (2003), "The basis for a discipline of Islamic environmental law", *Islam and Ecology: A Bestowed Trust*, Harvard University Press, Cambridge, Massachusetts, pp. 185-247.
- Maignan, I. and Ralston, D.A. (2002), "Corporate social responsibility in Europe and the US: insights from businesses' self-presentations", *Journal of International Business Studies*, Vol. 33 No. 3, pp. 497-514.
- Mair, J. and Reischauer, G. (2017), "Capturing the dynamics of the sharing economy: institutional research on the plural forms and practices of sharing economy organizations", *Technological Forecasting and Social Change*, Vol. 125, pp. 11-20.
- Mair, J., Mayer, J. and Lutz, E. (2015), "Navigating institutional plurality: organizational governance in hybrid organizations", *Organization Studies*, Vol. 36 No. 6, pp. 713-739.
- Manning, S. and Bejarano, T.A. (2017), "Convincing the crowd: entrepreneurial storytelling in crowdfunding campaigns", *Strategic Organization*, Vol. 15 No. 2, pp. 194-219.
- Marzban, S. and Boseli, A. (2014), "Harvard Islamic Finance Forum 2014 Shariah-compliant crowd funding: an efficient framework for entrepreneurship development in Islamic countries".
- Masoud, N. (2017), "How to win the battle of ideas in corporate social responsibility: the International Pyramid Model of CSR", *International Journal of Corporate Social Responsibility*, Vol. 2 No. 1, pp. 1-22.
- Menguc, B. and Ozanne, L.K. (2005), "Challenges of the "green imperative": a natural resource-based approach to the environmental orientation-business performance relationship", *Journal of Business Research*, Vol. 58 No. 4, pp. 430-438.
- Mersland, R., D'Espallier, B. and Supphellen, M. (2013), "The effects of religion on development efforts: evidence from the microfinance industry and a research agenda", *World Development*, Vol. 41, pp. 145-156.

-
- Metcalf, B.D. (2008), "Women, management and globalization in the Middle East", *Journal of Business Ethics*, Vol. 83 No. 1, pp. 85-100.
- Meyskens, M. and Bird, L. (2015), "Crowdfunding and value creation", *Entrepreneurship Research Journal*, Vol. 5 No. 2, pp. 155-166.
- Munshi, U. (2021), "The role of Islamic crowdfunding in the new economy", *Islamic Fintech*, Routledge, pp. 91-101.
- Nivoix, S. and Ouchrif, F.Z. (2016), "Is crowdfunding Sharia compliant?", *International Perspectives on Crowdfunding*, Emerald Group Publishing, London, pp. 185-198.
- Oliver, C. (1991), "Strategic responses to institutional processes", *Academy of Management Review*, Vol. 16, pp. 145-179.
- Ordanini, A., Miceli, L., Pizzetti, M. and Parasuraman, A. (2011), "Crowd-funding: transforming customers into investors through innovative service platforms", *Journal of Service Management*, Vol. 22 No. 4, pp. 443-470.
- Ortas, E., Burrett, R.L. and Moneva, J.M. (2013), "Socially Responsible Investment and cleaner production in the Asia Pacific: does it pay to be good?", *Journal of Cleaner Production*, Vol. 52, pp. 272-280.
- Pache, A.C. and Santos, F. (2010), "When worlds collide: the internal dynamics of organizational responses to conflicting institutional demands", *Academy of Management Review*, Vol. 35 No. 3, pp. 455-476.
- Pache, A.C. and Santos, F. (2013), "Inside the hybrid organization: selective coupling as a response to competing institutional logics", *Academy of Management Journal*, Vol. 56 No. 4, pp. 972-1001.
- Perrini, F., Russo, A., Tencati, A. and Vurro, C. (2011), "Deconstructing the relationship between corporate social and financial performance", *Journal of Business Ethics*, Vol. 102 No. 1, pp. 59-76.
- Qaradawi, Y. (2000), "Fiqh al-zakah: a comparative study of Zakah, regulations and philosophy in the light of Qur'an and Sunnah", (M. Kahf, Trans. Vol. II), in *Kingdom of Saudi Arabia Centre for Research in Islamic Economics*, King Abdulaziz University.
- Ramus, T., Vaccaro, A. and Berrone, P. (2021), "Time matters! How hybrid organizations use time to respond to divergent stakeholder demands", *Organization Studies*, Vol. 42 No. 10, pp. 1529-1555, 0170840619900341.
- Rice, G. (2006), "Pro-environmental behavior in Egypt: is there a role for Islamic environmental ethics?", *Journal of Business Ethics*, Vol. 65, pp. 373-390.
- Schaltegger, S. and Wagner, M. (2011). Sustainable entrepreneurship and sustainability innovation: categories and interactions, *Business Strategy and the Environment*, Vol. 20 No. 4, pp. 222-237.
- Schoar, A. (2010), "The divide between subsistence and transformational entrepreneurship", *Innovation Policy and the Economy*, Vol. 10 No. 1, pp. 57-81.
- Schwartz, S.H. and Huisman, S. (1995), "Value priorities and religiosity in four western religions", *Social Psychology Quarterly*, Vol. 58, pp. 88-107.
- Schwiebacher, A. and Larralde, B. (2010). Crowdfunding of small entrepreneurial ventures.
- Scott, W.R. (2003), "Institutional carriers: reviewing modes of transporting ideas over time and space and considering their consequences", *Industrial and Corporate Change*, Vol. 12 No. 4, pp. 879-894.
- Sotorrio, L.L. and Sánchez, J.L.F. (2008), "Corporate social responsibility of the most highly reputed European and North American firms", *Journal of Business Ethics*, Vol. 82 No. 2, pp. 379-390.
- Stefani, U., Schiavone, F., Laperche, B. and Burger-Helmchen, T. (2019), "New tools and practices for financing novelty: a research agenda", *European Journal of Innovation Management*, Vol. 23 No. 2, pp. 314-328.
- Syed, J. and Van Buren, H.J. (2014), "Global business norms and Islamic views of women's employment", *Business Ethics Quarterly*, Vol. 24 No. 2, pp. 251-276.

- Tenner, I. and Hörisch, J. (2020), "Crowdfunding for responsible entrepreneurship", *Responsible Entrepreneurship*, Springer Gabler, Wiesbaden, pp. 117-134.
- Testa, S., Nielsen, K.R., Bogers, M. and Cincotti, S. (2019), "The role of crowdfunding in moving towards a sustainable society", *Technological Forecasting and Social Change*, Vol. 141, pp. 66-73.
- Testa, S., Roma, P., Vasi, M. and Cincotti, S. (2020), "Crowdfunding as a tool to support sustainability-oriented initiatives: preliminary insights into the role of product/service attributes", *Business Strategy and the Environment*, Vol. 29 No. 2, pp. 530-546.
- Thornton, P.H., Ocasio, W. and Lounsbury, M. (2012), *The Institutional Logics Perspective: A New Approach to Culture, Structure, and Process*, Oxford University Press on Demand, Oxford.
- Thorpe, D. (2014), "Crowdfunding success stories include \$35,000 for sock monkeys and \$2,000 for a dry composting toilet", *Forbes*, available at: <https://www.forbes.com/sites/devinthorpe/2013/01/30/crowdfunding-success-stories-include-35000-for-sock-monkeys-and-2000-for-a-dry-composting-toilet/?sh=5b4f8f17b69f> (accessed 25 June 2022).
- Tilcsik, A. (2010), "From ritual to reality: demography, ideology, and decoupling in a post-communist government agency", *Academy of Management Journal*, Vol. 53 No. 6, pp. 1474-1498.
- Tilt, C.A. (2016), "Corporate social responsibility research: the importance of context", *International Journal of Corporate Social Responsibility*, Vol. 1 No. 1, pp. 1-9.
- Transforming our world: the 2030 Agenda for Sustainable Development (2015), available at: <https://sustainabledevelopment.un.org/> (accessed 25 June 2022).
- Tracey, P., Phillips, N. and Jarvis, O. (2011), "Bridging institutional entrepreneurship and the creation of new organizational forms: a multilevel model", *Organization Science*, Vol. 22 No. 1, pp. 60-80.
- Treacy, M. (2004), "Innovation as a last resort", *Harvard Business Review*, Vol. 82 Nos 7/8, pp. 29-30.
- Troise, C. and Tani, M. (2020), "Exploring entrepreneurial characteristics, motivations, and behaviours in equity crowdfunding: some evidence from Italy", *Management Decision*, Vol. 59 No. 5, pp. 995-1024.
- Troise, C., Tani, M., Dinsmore, J., Jr and Schiuma, G. (2021a), "Understanding the implications of equity crowdfunding on sustainability-oriented innovation and changes in agri-food systems: insights into an open innovation approach", *Technological Forecasting and Social Change*, Vol. 171, 120959.
- Troise, C., Matricano, D., Candelo, E. and Sorrentino, M. (2021b), "Entrepreneurship and fintech development: comparing reward and equity crowdfunding", *Measuring Business Excellence*, Vol. 26 No. 1, pp. 52-63.
- UNFCCC Paris Agreement 1-25 (2015), available at: https://unfccc.int/sites/default/files/english_paris_agreement.pdf (accessed 21 June 2022).
- United Nations Global Compact (2000), available at: <https://www.unglobalcompact.org/what-is-gc/mission/principles> (accessed 27 May 2022).
- Valanciene, L. and Jegeleviciute, S. (2013), "Valuation of crowdfunding: benefits and drawbacks", *Economics and Management*, Vol. 18 No. 1, pp. 39-48.
- Vismara, S. (2019), "Sustainability in equity crowdfunding", *Technological Forecasting and Social Change*, Vol. 141, pp. 98-106.
- Wash, R. and Solomon, J. (2014), "Coordinating donors on crowdfunding websites", *Proceedings of the 17th ACM conference on Computer supported cooperative work and social computing*, ACM, pp. 38-48.
- WCED (1987), *Our Common Future. World Commission on Environment and Development*, Oxford University Press, Oxford.
- Williams, G. and Zinkin, J. (2010), "Islam and CSR: a study of the compatibility between the tenets of Islam and the UN global Compact", *Journal of Business Ethics*, Vol. 91 No. 4, pp. 519-533.

-
- Xu, S. and Yang, R. (2010), "Indigenous characteristics of Chinese corporate social responsibility conceptual paradigm", *Journal of Business Ethics*, Vol. 93 No. 2, pp. 321-333.
- Yani-de-Soriano, M., Javed, U. and Yousafzai, S. (2012), "Can an industry be socially responsible if its products harm consumers? The case of online gambling", *Journal of Business Ethics*, Vol. 110 No. 4, pp. 481-497.
- Yunus, M. (2009), "Economic security for a world in crisis", *World Policy Journal*, Vol. 26 No. 2, pp. 5v-12.

About the authors

Stefania Testa is an Associate Professor at the University of Genoa, Italy. Her main research interests concern the area of knowledge and innovation management, including themes such as the role of social media and crowdfunding in innovation, the role of knowledge in innovation processes, open innovation practices and sustainability-oriented innovation. She is a member of the Editorial Board of Technological Forecasting and Social Change, Journal of Knowledge Management and Measuring Business Excellence. She has published on Economic Geography, Technovation, Information and Management, Organization and Management, Technological Forecasting and Social Change, International Journal of Production Research, Business Strategy and the Environment, among others.

Thaer Atawna is a final year doctoral candidate in the Department of Mechanics, Energy, Management and Transport Engineering (DIME) at the University of Genoa, Italy. He has more than eight years of work experience in the areas of Finance, Accounting and Academia. His research interests are in the field of Alternative Finance (Crowdfunding). This includes the role of crowdfunding in sustainability, Islamic Crowdfunding and the role of sustainability orientation in the success of crowdfunding campaigns. Thaer Atawna can be contacted at: thaer.atawna@gmail.com

Gino Baldi is a team leader and coordinator - HR staff PNRR implementation, Emilia Romagna Region - DG REIL. He was a contract professor at Sapienza University of Rome. He has worked with Lucent Technologies, Ernst and Young, Atos Origin, Ericsson and KPMG, among others, and has spent 5 years abroad as a resident manager in France, UK and the Netherlands. He has 16 years of executive experience in management consulting companies in the ICT Sector and as the Managing Director in mid-sized service and manufacturing companies. Recently, he was involved in the following applied research fields: machine learning, HR. management optimization based on computational intelligence algorithms and finally crowdfunding based on Islamic finance principles for sustainable development. Dr. Gino Baldi holds an MEng in ICT, MBA from Bocconi University (Milan) and a Ph.D. in Management from the University of Genova.

Silvano Cincotti is a Full Professor at the University of Genoa (IT). His current research topics are agent-based macroeconomics, energy economics, finance and sustainable growth, corporate social responsibility. He is the author of more than 180 scientific articles and serves on the editorial boards of several international journals. His scientific activities have been carried on within more than 50 national and international project grants.

For instructions on how to order reprints of this article, please visit our website:

www.emeraldgrouppublishing.com/licensing/reprints.htm

Or contact us for further details: permissions@emeraldinsight.com